

UNITED NATIONS DEVELOPMENT PROGRAMME



UNDP

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DP/PROJECTS/2679
(RAS/79/135)
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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE
GOVERNMENTS OF AFGHANISTAN, BANGLADESH, BHUTAN,
LAO PEOPLE'S DEMOCRATIC REPUBLIC, MALDIVES, NEPAL AND SAMOA

Project Preparation, Pre-Feasibility and Feasibility Studies
(RAS/79/135)

Report of the Administrator*

Date of present approval:	May 1980
Starting date of project activities:	May 1980
Planned completion date:	April 1982
To be executed by:	United Nations Development Programme (UNDP)
Government implementing agencies:	Ministries of Planning
Estimated cost of assistance planned under present approval:	\$1 250 000
Source of UNDP financing:	Regional Indicative Planning Figure (IPF)

I. Background

1. Since the United Nations General Assembly, in 1970, in the International Development Strategy for the Second United Nations Development Decade (Resolution 2626 (XXV)) recommended special measures in favour of the least developed among the developing countries, numerous efforts have been made to stimulate action by the international community in their favour.

2. This project is in direct response to a request made by the Governments of the Least Developed Countries (LDC's) of the Asia and Pacific region that priority attention be given to the preparation of investment-oriented projects. Such projects

*In accordance with General Assembly resolution 2688 (XXV) and subsequent authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance of \$250,000 or more (including, if any, assistance financed by Government or by third-party cost sharing).

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are urgently required to support the implementation of programmes which numerous international fora have identified as critical to the economic development of the LDCs over the coming decade.

3. The seven LDCs in Asia and the Pacific include four land-locked (Afghanistan, Bhutan, Lao People's Democratic Republic, Nepal), one transit (Bangladesh) and two sea-locked (Maldives and Samoa) countries. Given this particular economic and geographical context, the Governments concerned recognize that investment-oriented projects and studies can play a fundamental role in the development of their countries. Although the prospect of improving these economies through increased capital investment is well recognized, opportunities to do so have been severely restricted by gaps in the identification of specific investment-oriented projects. This project has been designed to begin to fill those gaps. It forms part of a special \$15 million inter-country programme for LDCs in Asia and the Pacific which was elaborated under a joint UNDP/UNCTAD/ESCAP programming mission carried out in April-May 1979.

II. Objectives and activities

4. The long-term development objective of the project is to assist in bringing about the structural changes required to strengthen the economies of the participating countries by stimulating capital investment from bilateral and multilateral sources. In so doing, it will take account of the individual requirements of each of the seven LDCs and, where appropriate, foster increased co-operation among them.

5. The immediate objective of the approved assistance is to prepare investment-oriented projects, pre-feasibility and limited feasibility studies in various sectors of the LDCs' economies. The Governments will submit proposals to UNDP for the specific investment studies and project-preparation activities to be carried out under the UNDP assistance, taking into account the tentative identification of requirements for such support agreed upon at the Inter-Governmental Meeting of LDCs in 1979.

6. The project will be carried out in consultation with the World Bank and the Asian Development Bank. The banks will be invited to participate, as appropriate and in accordance with their specific interests, in the implementation of the individual investment-oriented proposals resulting from the project.

III. Inputs

7. UNDP will provide, as required, consultancy services for the preparation of projects as well as sub-contract services for pre-feasibility and feasibility studies in areas yet to be determined but based on the identified special needs of the participating governments.

IV. Financial Data

8. The expenditure components of the planned assistance are as follows:

	\$
Personnel	175 000
Sub-contracts	<u>1 075 000</u>
	1 250 000
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